

Unauthorized Use of the Card/Checks Cont'd)

- ♦ Leasing or contracting officers.
- ♦ Purchase of hazardous items such as firearms, ammunition, explosives, or hazardous biological and radioactive substances, except by warranted acquisition personnel.
- ♦ Purchase of airline, bus, train, or other official travel-related tickets and purchase of meals, lodging, or subsistence costs unless authorized by the agency. The Government Travel Card should be used for these items.
- ♦ Personal purchases or identification. Items purchased with the card are for official government use only. Additionally, the card must not be used for identification for personal purchases (e.g., while paying for a personal purchase by check), or security for personal purchases.
- ♦ Purchase of telecommunications resources, except for emergency purchases of telecommunications resources and for purchases of telecommunications products and non-transmission services not exceeding \$350.00
- ♦ Splitting requirements into several purchases merely to avoid the cardholder's delegated single purchase limit.
- ♦ Fuel and related supplies and services for government-owned and leased vehicles, aircraft, and other motorized equipment, unless authorized by the USDA Departmental Program Manager and the USDA Fleet Departmental Program Manager.
- ♦ Personal services unless authorized by statute. Personal services are those where an employer-employee relationship occurs such as when there is continuous supervision of the contractor's employees by the government.
- ♦ Advance payment to a merchant prior to receipt of goods/services, unless authorized by law (i.e., subscriptions, registration fees, and training).
- ♦ Acquisition from commercial sources of products or services available from a required source in time to meet the agency need.
- ♦ Other unauthorized purchases include, but are not limited to:
 - Greeting cards
 - Memberships in an individual's (as opposed to an organization's) name
 - Parking tickets against a government vehicle
 - Insurance of items being shipped to or for the government (the Government is self-insuring)
 - Shipment of household goods
 - Meals for federal employees at office or agency functions, unless authorized by law (purchasing food for government employees for a bona fide awards ceremony is permitted by law)

Unauthorized Use of the Checks

The convenience checks will not be used for:

- ♦ Purchases in excess of \$2,500 (except in a bona fide emergency)
- ♦ Payments when the vendor accepts the purchase card
- ♦ Contract payments
- ♦ Indemnity payments
- ♦ Vehicle maintenance and repairs
- ♦ Utility payments (except when UTVN cannot be used)
- ♦ Official travel
- ♦ Local travel
- ♦ Writing checks to self or for cash.

Purchase Card/Convenience Check Security

The cardholder is responsible for safeguarding the purchase card account number and checks at all times. **Never allow anyone to use your card/checks or account number and never use the card/check to procure personal items.**

Lost/Stolen Cards/Checks

When a purchase card is lost or stolen, the cardholder should contact US Bank Government Services by telephone at 1-888-994-6722 to report the lost/stolen card and notify the LAPC. The Bank will send a replacement card with a new account number. If the cardholder finds the card after having reported it lost or stolen, it should be cut in half and given to the AO.

Card Receipt Verification/Activation

As a security measure, new cards and replacement cards for lost, stolen, or reissued accounts are not usable until the cardholder calls US Bank Government Services at 1-888-994-6722 to activate their account.

Stop Payment Requests

A cardholder that needs to stop payment on a check must contact their LAPC and the bank immediately.

Separation of Cardholder

Prior to separation from an agency or assignment to another function that does not require cardholder authority, the cardholder will surrender the card and unused convenience checks (if issued), to their AO who will destroy them, and a Card/Check Destruction Form. The cardholder will review with their LAPC the status of any unapproved, unresolved, and disputed transactions, and identify any supplies and/or services which have been ordered, but not yet received, so appropriate action can be taken to complete these activities.

Card Misuse/Fraud

Procurement laws, regulations, and procedures place upon the cardholder direct responsibility for the proper and lawful execution of procurement actions. Any act exceeding the cardholder's authority is no longer an act of the government, but becomes a personal responsibility. Misuse of the purchase card will require the purchase card to be withdrawn from the cardholder. Disciplinary actions may be taken against the cardholder. The cardholder may be liable for payment of the purchase. **This may include financial liability and consideration of disciplinary action up to and including removal from position and possible criminal prosecution.**



QUICK GUIDE

to
Proper Use of the Purchase Card and Alternative Payment Methods



Originated: March 2009



Prepared by:

Office of Procurement and Property Management,
Charge Card Service Center (CCSC)



You Need to Know...

This quick guide assists cardholders in carrying out their authority and responsibility in using the purchase card and alternative payment methods. Use this Guide in conjunction with *Departmental Regulation (DR) 5013-6* and the *Cardholders Purchase Card Program Guide*. These documents provide complete details of all information contained in this quick guide and are located at <http://www.da.usda.gov/procurement/ccsc>.

Cardholder Responsibilities

- ♦ Obtain proper authorization prior to making a purchase.
- ♦ Make purchases within authorized spending limits and funds availability.
 - Micro-purchase limit is \$3,000 for supplies; \$2,500 for services and checks/\$2,000 for construction for non-procurement personnel.
 - Warranted individuals can use card/convenience checks for up to \$1 million if within their delegated authority and single purchase limit.
- ♦ Use the card or convenience check only for purchasing items in accordance with agency/department policies.
- ♦ Obtain independent receipt and acceptance of goods over \$300.
- ♦ All employees must maintain the highest standards of conduct in a manner above reproach. Any conflict of interest or appearance thereof, between government responsibilities and personal lives must be avoided.
- ♦ Solicit prompt payment discounts from vendors prior to accepting an offer. Discount for prompt payment means an invoice payment reduction offered by the contractor if payment is made prior to the due date. Vendors normally receive payment from the bank within three days of the purchase.
- ♦ Maintain adequate documentation of all purchase card and convenience check transactions. This responsibility includes documentation of funds availability, receipts, packing lists, invoices, and other appropriate or agency-required documentation/approvals.
- ♦ Approve purchase card and convenience check transactions within 30 days, ensure entry of proper accounting codes, budget object classification codes, and for convenience checks- TINs or SSNs, as appropriate.
- ♦ Ensure that accountable and sensitive property is entered into the USDA accountable property system. Also ensure that any dangerously radioactive and other hazardous materials acquired are disposed of in accordance with applicable regulations (refer to Subchapter H, Part 104-42 of the *Agriculture Property*

Management Regulations entitled, *Utilization and Disposal of Hazardous Materials and Certain Categories of Property*. See DR 5013-6 for restrictions on use of the purchase card to acquire firearms, ammunition, explosives, or hazardous biological and radioactive substances.

- ♦ Pay the sales tax if the merchant refuses to waive it. The cardholder must first inform the merchant that the purchase is for "Official U.S. Government business" and is not subject to state or local sales tax. The card is imprinted with the statement, "US Government Tax Exempt." The cardholder can present a state tax exemption letter to the merchant and printout state tax exemption letters from the GSA SmartPay web site at <http://www.fss.gsa.gov/services/gsa-smartpay/taxletter/>.
- ♦ Maintain purchase cards and convenience checks in a secure fashion and prevent unauthorized charges against the account.
- ♦ Complete Card/Check Destruction Form when separating from agency.
- ♦ Inform LAPC of change in Approving Official.

Authorized Use of the Card

- ♦ Use the purchase card first; checks are only to be used if the vendor does not accept the card or in other limited instances in accordance with DR5013-6.
- ♦ In purchasing supplies and services, use required sources first (e.g., AbilityOne Program).
- ♦ Rent storage and other special purpose space on a short-term basis (up to 180 days) to be used on a temporary or emergency basis.
- ♦ Payment for meeting and conference rooms, parking for government-owned or leased vehicles.
- ♦ Business cards, if authorized by your agency. To order, refer to the AbilityOne Program at <http://www.jwod.gov>.
- ♦ For warranted acquisition personnel, orders within their delegated authority.

Authorized Use of Alternative Payment Methods

- ♦ Job Corps (petty cash replacement)
- ♦ Janitorial Services
- ♦ Nutrition Study Recipients
- ♦ Foreign National/Invitational Travelers
- ♦ Emergency Purchase Expenditures
- ♦ Purchase of Animals
- ♦ Peer Panels/Honoraria
- ♦ "Mom & Pop" Merchants
- ♦ Local/Rural Farmers, Mechanics
- ♦ Fire Crew Lodging/Meals in T
- ♦ Collection Officer Money Order Fees
- ♦ Law Enforcement Purchases
- ♦ Local/State Governments

Authorized Use of the Convenience Check

Convenience checks are utilized for purchases when at least one of the DCIA waivers is satisfied and for the following situations:

- ♦ Vendor or merchant will not accept the purchase card.
- ♦ Bona fide emergencies where the purchase card is not a viable solution.
- ♦ Transactions with small and/or rural businesses that are not yet able to accept the purchase card.
- ♦ Other properly approved transactions for which the imprest funds were previously used which cannot be addressed using the purchase card.
- ♦ Emergency payments to employees under \$500 on a documented and approved basis.

DCIA Waivers

DCIA waivers require the government to maximize electronic transactions. Convenience checks are not considered electronic fund transfers (EFT), and are not DCIA compliant unless one of the following criteria is met:

- ♦ (01) Individual Determination- An individual determines, in his/her sole discretion, that use of the purchase card would cause a financial hardship or impose a hardship due to a physical or mental disability, or a geographic, language, or literacy barrier. Note: Agency personnel may not challenge an individual's hardship determination.
- ♦ (02) Agency Makes One Payment.- The agency does not expect to make more than one payment to the same recipient within a one-year period .
- ♦ (03) Foreign Country Infrastructure- The infrastructure of a foreign country does not support EFT.
- ♦ (04) Transaction in Disaster Area- The transaction is with a vendor/recipient in a declared disaster area.
- ♦ (05) Threat to National Security- A threat may be posed to national security, the life of physical safety of any individual may be endangered, or a law enforcement action may be compromised.
- ♦ (06) Unusual and Compelling Urgency- An agency's need for goods and services is of such unusual and compelling urgency that the government would be seriously injured unless the transaction is processed by other than electronic means.
- ♦ (07) One Source for Required Supplies or Services- There is only one source for the required supplies or services and the Government would be seriously injured unless the transaction is processed by other than electronic means.

Unauthorized Use of the Card and Checks

- ♦ Cash advances and/or travel advances.
- ♦ Long-term (more than 180 days) rental or lease of land or building except by warranted real property leasing.